

## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 /178 R

DRAFTED BY EB/OF/FPD:RSSIMPSON/LS-USDA/FAS:GWANAMAKER

APPROVED BY EB/OF/FPD:MPBOERNER

L/EB-DBURNS

EUR/SPP-JSMITH

USDA/FAS-RMCCONNELL

COMMERCE-DSCHLECTY (INFO)

STR-HWILLIAMS

EB/TA-JCRAWFORD

TREASURY-WBARREDA (SUBS)

----- 029084

P 042049Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY MADRID PRIORITY

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E.O. 11652: N/A

TAGS: EAGR, ETRD

SUBJECT: SOYBEANS

REF: MADRID TOFAS 165

1. FROM REFTEL IT WOULD APPEAR THAT GOS HAS MADE DECISION  
COLLECT FROM SOYBEAN CRUSHERS "REBATE" EQUAL TO TOTAL  
DIFFERENCE BETWEEN SOYBEAN IMPORTCOST-PLUS-CRUSHING  
ALLOWANCE AND 20 PESETA DOMESTIC PRICE. IF REBATE IS NOT  
COLLECTED ON SALES OF MEAL MADE FROM DOMESTIC BEANS, THIS  
WOULD APPEAR REPRESENT A FORM OF INDIRECT TAX OR CHARGE  
ON IMPORTED PRODUCTS IN VIOLATION OF GATT ARTICLE III.  
IN EFFECT, COLLECTION OF VARIABLE LEVY WOULD BE TRANSFERRED

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FROM CUSTOMS AUTHORITY TO CRUSHERS.

2. IN ANY EVENT, SINCE EFFECT OF REBATE IS TO NULLIFY ADVANTAGES OF TARIFF BINDING, REBATE WOULD APPEAR TO VIOLATE GATT ART. II. BASED ON CURRENT MARKET PRICES AND PERMITTING CRUSHERS 50 DOLS. PER TON PROCESSING MARGIN, GOS COULD EXPECT COLLECT APPROX- 15 MILLION DOLS. ON 300,000 TONS SOYBEANS LICENSED FOR IMPORT DEC. - JAN. 1973-74. THIS 15 MILLION DOLS. WOULD NOT, RPT. NOT, INCLUDE ANY REVENUE FROM VARIABLE LEVY OR OTHER INTERNAL TAXES. BY ITSELF, IT WOULD AMOUNT TO ROUGHLY 20 PERCENT OF THE VALUE OF SOYBEAN IMPORTS DURING THIS PERIOD (EQUIVALENT TO A 20 PER CENT AD VALOREM TAX).

3. EMBASSY INSTRUCTED IMMEDIATELY SEEK GOS CONFIRMATION OR DENIAL OF TRADE REPORT QUOTED REFTTEL CONCERNING THIS REBATE SYSTEM. NEED REPLY BY NO LATER THAN COB DECEMBER 5. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURAL PRODUCTION, SOYBEANS, IMPORT RECEIPTS, TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE237249  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** USDA/FAS:GWANAMAKER  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731246/aaaabhkz.tel  
**Line Count:** 80  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** MADRID TOFAS 165  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01-Oct-2001 by kelleyw0>; APPROVED <08 MAR 2002 by garlanwa>  
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30 JUN 2005

**Review Media Identifier:**  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SOYBEANS  
**TAGS:** EAGR, ETRD  
**To:** MADRID  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005